Rating Rationale

Antila Ceramic Pvt Ltd

24Dec2018

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 7.43 Crores of Antila Ceramic Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Aug, 2017)	Present
Fund Based Cash Credit Term Loan-I Term Loan-II	 **5.00** **0.15** **0.76**	 **5.00** **Nil** **0.18**	**Long Term**	**BWR BB-** **(Pronounced as BWR Double B minus)** Outlook: Stable	**BWR BB-** **(Pronounced as BWR Double B minus)** Outlook: Stable **(Reaffirmed)**
Bank Guarantee ***Sublimit*** For Gas Supply Custom GST	**2.25** **-**	**2.25** **(1.75)** **(0.50)**	**Short Term**	**BWR A4+** **(Pronounced as BWR A four plus)**	**BWR A4+** **(Pronounced as BWR A four plus)** **(Reaffirmed)**
Total	**8.16**	**7.43**	**INR Seven Crores and Forty Three Lakhs Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of Antila Ceramic Pvt Ltd up to FY18, projections upto FY21 and publicly available information and information/clarifications provided by the management.

The rating derives comfort from experience of promoter, visible revenue growth comfortable interest coverage indicator and favourable location. The rating is however constrained by small scale of operations, decline in operating profit margin, high gearing ,low net worth and fragmented and competitive nature of industry.

Going forward, the company's ability to achieve enhances scale of operations with increased revenues,and profits and manage its working capital efficiently will be the key rating sensitivities

Description of Key Rating Drivers

- **Credit Strengths:**

One of the promoters & director of the company is having more than two decades of experience in ceramic business . Net operating income is increased from Rs17.56 Crs in FY 17 to Rs 30.23 Crs in FY 18 Interest coverage service ratio stood at 2.99x in FY18.The company is located in Morbi, Gujarat, which is the hub of the ceramic tiles industry in India.

- **Credit Risks:**

Company is having Small scale of operations with an average sales of Rs. 22.80 crs for last three FYs , Operating profit margin has declined to 9.99% in FY18 over 15.21% in FY17 , .Gearing with total outside liability is at 2.55 x in FY18 , networth was registered at Rs 6.02 Crs as at 31.3.2018 The company is exposed to intense competition from several organized and unorganized players.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Antila Ceramic Pvt Ltd** business risk profile will be maintained over the medium term. The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Antila Ceramics Pvt Ltd (ACPL) is engaged in manufacturing, supplying an assortment of vitrified tiles. ACPL is a Private limited company incorporated on 06 September 2010. Directors of ACPL Limited are Naresh Devajibhai Patel, Bharat Devjibhai Meraja, Sudhirkumar Harjivanbhai Merja and Rashmin Devjibhai Meraja. ACPL has its manufacturing plant located at Bela-Morbi in Gujarat same is company owned property.

Company Financial Performance

Revenue is Rs. 30.23 Crs and PAT is Rs. 0.43 crs as at FY18. The Tangible Net Worth of the company stood at Rs. 6.02 Cr in FY18

Rating History for the last three years

S.No	Facility	Current Rating(Dec 2018)			Rating History		
		Type	Amount (₹ Crs)	Rating	22.8.2017	12.8.2016	2015
1	**Fund Based** Cash Credit Term Loan-I Term Loan-II	**Long Term**	5.00 Nil 0.18	**BWR BB- (Pronounced as BWR Double B minus)** Outlook: Stable **(Reaffirmed)**	**BWR BB- (Pronounced as BWR Double B minus)** Outlook: Stable	**BWR BB- (Pronounced as BWR Double B minus)** Outlook: Stable	**Not rated**
2	**Non Fund Based** Bank Guarantee ***Sublimit*** For Gas Supply Custom GST	**Short Term**	2.25 (1.75) (0.50)	**BWR A4+ (Pronounced as BWR A four plus) (Reaffirmed)**	**BWR A4+ (Pronounced as BWR A four plus)**	**BWR A4+ (Pronounced as BWR A four plus)**	**Not rated**
	Total		**7.43**	**₹ Seven Crores and Forty Three Lakhs Only**			

Rating not reviewed was done on 23.11.2018
Status of non-cooperation with previous CRA - Not to our knowledge

Any other information-Nil

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type			
Operating Revenue	₹ Cr	30.23	17.56
EBITDA	₹ Cr	3.02	2.67
PAT	₹ Cr	0.43	0.19
Tangible Net worth	₹ Cr	6.02	5.59
Total Debt/Tangible Net worth	Times	1.35	1.56
Current Ratio	Times	1.07	1.07

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Manufacturing Companies
- Short Term Debt

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For print and digital media
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Note on complexity levels of the rated instrument:
BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.
BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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